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EB/CBA FOR DENNIS WINSTEAD
AF/W FOR DANA BANKS
DAKAR FOR FCS (CGRIFFIN-GREENE)
ACCRA FOR USAID (KMCCOWN)

E.O. 12958: N/A

TAGS: [BEXP](#) [ECON](#) [EINV](#) [BN](#)

SUBJECT: BENIN: US-BENIN BILATERAL BUSINESS FORUM WRAPUP AND NEXT STEPS

REF: A) 06 STATE 189849; B) STATE 12989; C) WINSTEAD/HALL EMAIL

EXCHANGE OF 1/29

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[1](#)1. SUMMARY. Embassy Cotonou and USAID's West Africa Trade Hub (Ghana office) sponsored the "US-Benin Bilateral Business Forum", January 25-26. The event, which was organized in collaboration with the Chamber of Industry and Commerce of Benin (CCIB), the Ministry of Foreign Affairs, and the Ministry of Development, Economy and Finance, brought together USG representatives, GOB policymakers, corporate executives, and Beninese entrepreneurs to discuss the business climate and to present USG business facilitation and promotion agencies to key economic stakeholders in Benin. Over 100 officials and businesspeople attended on both January 25 and January [1](#)26. END SUMMARY.

PROGRAMMATIC OUTCOMES

[1](#)2. Opened on January 25 by GOB Minister of Finance Pascal Koupaki and Ambassador, the first day of the forum provided a venue for in-depth discussion of the business climate in Benin, presentations on key business issues including importing from - and exporting to - the United States, transportation and customs, financing commercial activities, and the prospects for using gas from the West Africa Gas Pipeline (WAGP) to allow Benin to augment its capacity to generate electric power. Regional Senior Commercial Officer Cynthia Griffin-Greene gave a presentation on USG business facilitation and promotion agencies, including the US Foreign Commercial Service and EXIM Bank and MCA Benin National Coordinator Simon Pierre Adovelande made a presentation on the components and objectives of the Millennium Challenge program in Benin.

[1](#)3. January 26 was dedicated to the detailed presentation and discussion of how Beninese entrepreneurs (particularly those in the textile and agribusiness sectors) can and should derive benefit from AGOA's provisions.

[1](#)4. On both days the forum provided a venue for in-depth discussion and debate, sometimes heated, of the business climate in Benin and the existing constraints to its development. The presentations on both days were balanced by "testimonials" from Beninese businesspeople who are actively importing from (or exporting to) the US. The forum also allowed for coffee-break, lunch-time, and pull-aside discussions between those seeking to do business with the United States.

[1](#)5. Constraints present in the business climate discussed during the forum included the comparatively high cost in Benin of electric

power and telecommunications, difficulties SMEs face in obtaining loans, and red tape. According to the World Bank's "Doing Business" statistics in Benin it takes 31 days to register a new business; 333 days to obtain the permits to build a warehouse and secure water, electricity, and phone service; and a minimum of 5 days for a container of goods to clear customs at the Port. Some participants complained about cheap Chinese products being "dumped" in Benin, but Beninese customs officers (who participated on both days of the forum) also came in for strong criticism from entrepreneurs, to which they responded. During a session on financing business operations, a presenter from Ecobank rebuffed hostile questions by pointing out that banks charge SMEs loan interest rates in the neighborhood of 15% because they have a high number of non-performing loans in their SME portfolios.

FOLLOW UP AT POST

16. Post intends to follow up on this event with a trade delegation in 2007 and by using information from this workshop to develop a more focused approach to increasing bilateral trade, particularly in the energy, agribusiness, and transportation sectors. The business forum is already producing specific inquiries to the participating USG agencies to access their services.

BACKGROUND

17. A key MPP objective at Embassy Cotonou is to promote and support economic development in Benin. There is limited commercial activity with the US at present (U.S.-Benin trade consists largely of used car imports). However, Benin is anxious to become an international business partner for the United States, attract foreign direct investment, and make better use of its AGOA eligibility. The US-Benin Bilateral Business Forum was an event designed to 1) introduce Beninese policymakers and decision-makers, entrepreneurs, and business support organizations to key USG partners such as EXIM, USFCS, OPIC, USAID's West Africa Trade Hub, MCC, and others; 2)

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provide an opportunity to examine the existing constraints present in Benin's business climate; and 3) examine how to increase commercial activity between Benin and the United States.

ACTUAL EXPENDITURES

18. During the two-day business forum, USAID/WATH and CCIB covered the following estimated costs:

Venue rental (2 days): \$2,800

Catering services: \$4,460

Publicity and materials (banners, pens, pads, etc.): \$400

Embassy Cotonou paid for the airline travel of Dakar-based Regional Senior Commercial Officer:

Travel/per diem of 1 USG participant: \$1,000

Total estimated cost of event: \$8,660

Per Ref B, Embassy Cotonou received approval to use BFIF funding to defray the costs of organizing and hosting the business forum. Per Ref C, Post will use these funds to fund the travel of the Regional Senior Commercial Officer, publish and disseminate conference materials, and further Post's business promotion activities.

19. Without generous funding and technical assistance (moderating, AGOA-related presentations) from USAID's West Africa Trade Hub, organizing the forum would not have been possible.

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